

## Message Text

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ACTION EUR-12

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E.O. 11652: N/A

TAGS: PFOR, SOPN, EGEN, HU

SUBJ: U.S.-HUNGARIAN ECONOMIC SEMINAR

REF: BUDAPEST 0180

1. SUMMARY: AT INVITATION OF HUNGARIAN INSTITUTE FOR WORLD ECONOMY (A SECTION OF THE HUNGARIAN ACADEMY OF SCIENCES) THE NEW YORK-BASED COUNCIL ON FOREIGN RELATIONS (CFR) HELD A FOUR-DAY SYMPOSIUM IN BUDAPEST JANUARY 26-29 ON ECONOMIC SUBJECTS AND CSCE. RESULTING HEALTHY EXCHANGE OF VIEWS LED TO GREATER UNDERSTANDING OF POSITIONS ON BOTH SIDES. END SUMMARY

2. MAGYAR PARTICIPANTS, LISTED IN REFTTEL, CONSTITUTE LARGE PERCENTAGE OF ECONOMIC "ELITE" IN HUNGARY. CFR ATTENDEES WERE:

JOHN C. CAMPBELL, CFR

MIRIAM CAMPS, CFR

HAROLD VAN B. CLEVELAND, FIRST NATIONAL CITY BANK

CARLOS F. DIAZ-ALEJANDRO, YALE AND OXFORD

WILLIAM DIEBOLD, JR., CFR

STANLEY HOFFMAN, HARVARD

EDWARD L. MORSE, CFR

WILLIAM R. PEARCE, CARGILL, INC.

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FRITZ R. STERN, COLUMBIA

RICHARD H. ULLMAN, PRINCETON AND CFR

3. AFTER ARRIVAL IN BUDAPEST CFR REPS LEARNED THAT GOH OFFICIALS REPEAT OFFICIALS WOULD PARTICIPATE IN SESSION. EMBASSY BUDAPEST WAS INVITED TO SEND OBSERVER, AND AN EMBASSY OFFICER ATTENDED EACH SESSION.

4. THE SUBJECTS CHOSEN WERE FREQUENTLY NOT STRICTLY ADHERED TO, LEAVING ROOM FOR OPEN-ENDED DISCUSSION:

- (A) ECONOMIC SITUATION IN USA AND HUNGARY
- (B) EAST-WEST BILATERAL ECONOMIC RELATIONS
- (C) EUROPEAN SECURITY AND CSCE
- (D) INTERNATIONAL FINANCIAL SYSTEM AND ITS FUTURE
- (E) THE WORLD ECONOMY IN THE 1980S
- (F) WORLD AGRICULTURAL AND FOOD SUPPLY SITUATION
- (G) NEW WORLD ECONOMIC ORDER AND ITS EFFECTS ON EAST-WEST RELATIONS

THE ENTIRE CONFERENCE WAS HELD IN ENGLISH.

5. THE EXCHANGES IN GENERAL WERE FRANK AND OPEN, ALTHOUGH SOME PARTICIPANTS THOUGHT CERTAIN SESSIONS DRAGGED ON TOO LONG. OCCASIONALLY AMERICANS WOULD END UP DISCUSSING A SUBJECT AMONG THEMSELVES, WITH MAGYARS CONTRIBUTING LITTLE. THIS USUALLY OCCURRED WHEN ECONOMIC QUESTIONS RESOLVED INTO BASICALLY IRRECONCILABLE POLITICAL POSITIONS, A FACT READILY ADMITTED IN PRIVATE BY HUNGARIANS. AT OTHER TIMES DIFFERENCES AMONG HUNGARIAN DELEGATION WERE APPARENT. IN CSCE DISCUSSION, BASED ON A PROVOCATIVE PAPER BY CAMPBELL, THE HUNGARIANS STUCK TO (OR WERE STUCK WITH) MOSCOW PARTY LINE. THE AMERICANS, ALMOST TO A PERSON, INFORMED HUNGARIAN HOSTS IN NO UNCERTAIN TERMS THAT DETENTE IN GENERAL AND SOVIET ACTIONS AFTER HELSINKI IN PARTICULAR WERE BEING VIEWED WITH INCREASING SUSPICION IN U.S. AND ELSEWHERE IN THE WEST. HOSTS WERE SURPRISED THAT ACADEMICIANS AND NOT JUST "OLD COLD WARRIORS" RAISED SUCH QUESTIONS AND HELD SUCH FIRM OPINIONS. EXPERIENCE WAS UNDOUBTEDLY HEALTHY. AMBASSADOR'S RECEPTION WAS ESPECIALLY WELL ATTENDED, WITH A VERY HIGH TURN-OUT, AND MANY HUNGARIAN GUESTS LINGERED FAR LONGER THAN PROTOCOL REQUIRED IN ORDER TO CHAT INFORMALLY.

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6. COMMENT: THE FIRST SUCH CONFERENCE WAS HELD IN BELLAGIO, ITALY IN 1973. THIS SECOND MEETING IN HUNGARY WAS A USEFUL FORUM FOR THE EXCHANGE OF VIEWS BY ACADEMICIANS (AND OTHERS) WHO INFLUENCE POLICY IN BOTH GOVERNMENTS. THERE WAS SOME FEELING EXPRESSED BY HUNGARIANS AND ECHOED BY AMERICANS THAT IF THE CONFERENCE HAD BEEN HELD AWAY FROM THE CAPITAL CITY OF BUDAPEST THE

HUNGARIAN PARTICIPANTS WOULD HAVE OPENED UP MORE. ONE  
COPY OF SCHEDULE, LIST OF PARTICIPANTS AND PAPERS PRESENTED  
AT CONFERENCE FOLLOW BY AIRGRAM SLUGGED FOR EUR/EE.  
MCAULIFFE

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